



House of Representatives

General Assembly

File No. 528

February Session, 2018

Substitute House Bill No. 5028

House of Representatives, April 17, 2018

The Committee on Finance, Revenue and Bonding reported through REP. ROJAS of the 9th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT REQUIRING AN ANALYSIS OF THE ADMINISTRATIVE COSTS OF COLLECTING STATE TAXES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (*Effective from passage*) The Secretary of the Office of Policy
- 2 and Management shall prepare a report that analyzes the estimated
- 3 annual administrative costs to collect each state tax, including any
- 4 costs associated with collecting delinquent taxes, and the revenue
- 5 generated from each such tax in each of the three fiscal years
- 6 immediately preceding. Not later than March 1, 2019, the secretary
- 7 shall submit, in accordance with the provisions of section 11-4a of the
- 8 general statutes, such report and recommendations for the elimination
- 9 of any state tax for which such administrative costs are greater than the
- 10 revenue generated by such tax to the joint standing committee of the
- 11 General Assembly having cognizance of matters relating to finance,
- 12 revenue and bonding.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Policy & Mgmt., Off.	GF - Potential Cost	Up to \$150,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Policy and Management (OPM) to conduct a study of the state's tax system, and the costs associated with collecting each state tax.

There is a potential, one-time cost to OPM to hire a consultant for assistance in conducting this study, as it is anticipated that OPM would need additional resources to conduct it. The cost would vary based on the study's scope, but could be as high as \$150,000. It is anticipated that any cost would only occur in FY 19.

The Out Years

As the fiscal impact identified above is associated with a one-time cost anticipated to occur in FY 19, there is no impact on the out years.

OLR Bill Analysis

sHB 5028

***AN ACT REQUIRING AN ANALYSIS OF THE ADMINISTRATIVE
COSTS OF COLLECTING STATE TAXES.***

SUMMARY

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 51 Nay 0 (04/05/2018)